

STATE NM COUNTY McKinley
MINING DISTRICT OR AREA Ambrosia Lake
HOST ROCK Todilto Ls. MINING METHOD Open pits
MINE NAME Section 13, SW 1/4
OTHER NAMES Haystack No. 2
APPROXIMATE PRODUCTION 1,162 tons @ 0.12% U₃O₈

[illegible]

pt

RHS
1/15/60

FORM GJ-PD-2

FINAL EXAMINATION
RECURRING VISITS TO CERTIFIED PROPERTIES

Group Name SW/4 Section 13-13N-11W Certification No. 1242Location McKinley New Mexico District Grants
(County) (State)Date of Visit July 1, 1960 Examining Engineer A. J. Speal

Eligible Balance from last IBM Sheet: 10,000 pounds on 6/28/60.

No previous visit since certified during June.

Remarks: (Should include anything of interest about the property covering
briefly such things as changes in ownership, present production,
etc.)

No activity, no signs of recent activity, no equipment on property. SFPRR has reportedly arranged to ship the stockpiled ore (7800 tons @ .13) but no movement of the ore has commenced. Property has 276 tons @ .14 on which to collect bonus.

The extent of mining activities is commensurate with the amount of bonus payments to be made.


Have you seen anything to lead you to suspect fraudulent collection of bonus?

_____ Yes X No

If the answer is yes - explain.

Distribution:

Development Section

Branch offices 

FINAL

R. H. Toole, Chief, Leasing & Development
Branch, PED, GJ

June 23, 1960

James J. Carter, Attorney
Office of Chief Counsel, GJ

CERTIFICATION OF SW $\frac{1}{4}$ SECTION 13, T. 13 N., R. 11 W., NMPM, GRANTS
MINING DISTRICT, MCKINLEY COUNTY, NEW MEXICO (BONUS APPLICATION
NO. B-1995)

SYMBOL: OC:JJC

There is no legal objection to the certification of the SW $\frac{1}{4}$
of Section 13, T. 13 N., R. 11 W., McKinley County, New Mexico,
in accordance with the recommendation contained in the engineer's
report dated May 9, 1960.

Attachment:
Engineer's report

JUN 23 1960

RECEIVED
JUN 23 1960
OFFICE OF CHIEF COUNSEL
GJ

OFFICE ▶	OC					
SURNAME ▶	Carter:rel					
DATE ▶	6-23-60					

R. E. Toole, Chief, Leasing and Development
Branch, PED, GJOO

May 9, 1960

THRU : E. W. Grutt, Jr., Chief, Grants Branch, PED
A. J. Speal, Geological Engineer
Grants Branch, PED

CERTIFICATION OF SW/4 SECTION 13, T13N, R11W, N14PM, GRANTS
MINING DISTRICT, MCKINLEY COUNTY, NEW MEXICO (BONUS APPLICATION
NO. B-1995).

SYMBOL: PGR:AJS:pt

Abstract

The captioned property consists of one quarter section of railroad
land leased to Haystack Mountain Development Company.

The applicant, Haystack Mountain Development Company, also holds
contiguous section 23, which has never attained production.

There has been no critical period production from the subject prop-
erty. Initial production was made by Haystack Mountain Development
Company during August 1958.

SW/4 section 13, T13N, R11W, N14PM, is recommended for bonus certifi-
cation.

Introduction

Application No. B-1995 was received on March 16, 1960, from Haystack
Mountain Development Company, P. O. Box 1203, Prewitt, New Mexico.
The applicant requested certification of SW/4 section 13, T13N, R11W,
McKinley County, New Mexico.

The property was examined on April 15, 1960 by A. J. Speal. He was
accompanied by T. O. Evans, Chief Mining Engineer for Haystack
Mountain Development Company.

Status of the Land

The property is in the Ambrosia Lake locality of the Grants Mining
district, McKinley County, New Mexico.

No inquiry in regard to land status has been made to the Office of
Counsel because the original land patent conveying section 13 is
recorded in the Valencia County Courthouse.

OFFICE ▶	Geol. Engr.	OR Sec.	Staff	Chief	PED	END
SURNAME ▶	Speal	Gay	Laverty	Grutt	Ciesiel	17
DATE ▶	5/11/60	5/11			5/20/60	

R. H. Toole

-2-

May 10, 1960

The property can be reached from the intersection of U. S. Highway 66 and N. M. Highway 53 (San Mateo road) three miles west of Grants by proceeding in the following manner:

<u>Accumulative Mileage</u>	<u>Directions</u>
0.0	North on San Mateo road
10.6	Left on dirt road
11.4	Bear left at fork
18.1	Turn right
18.7	Turn left
20.6	Arrive at mine

The property and mine workings have been surveyed and mapped. Corners consist of original stone monuments except where replaced by brass caps placed by the General Land Office Survey (1951). No discrepancies were found. A map of the property is attached to this report.

Ownership

The subject property encompasses one quarter section of Santa Fe Pacific Railroad land on which mining rights are leased to Haystack Mountain Development Company, a wholly owned subsidiary.

Surface rights are held by J. M. Elkins and Associates. Santa Fe Pacific has a surface owner's agreement granting access rights, etc.

The record of pertinent leases and conveyances on file at the McKinley County Courthouse is as follows:

R. H. Toole

-3-

May 9, 1960

<u>Property</u>	<u>Instrument</u>	<u>Dated</u>	<u>Recorded</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Grantee</u>
(1)S13-13N-11W	Land Patent	3/13/93	4/4/03	Deeds & Doc. A13	271-275	W. S. A.	S.F.P.R.R.
(2)SW/4S13 & others	Case 8129 District Court	5/28/52	-	-	-	S.F.P.R.R. (plaintiff)	Duane Berryhill et ux
(3)SW/4 S13	Assignment & Lease	9/30/52	-	-	-	S.F.P.R.R.	Haystack Mountain Development Company

R. H. Toole

-4-

May 10, 1960

Item (1) above is not recorded in the McKinley County Courthouse as reported by the applicant. The instrument is recorded in the Valencia County Courthouse as shown in this item.

Item (2) above is a legal suit initiated by S. F. P. R. R. to determine rights of surface owners. It was resolved that S. F. P. R. R. would pay the Elkins group a 3% royalty.

Item (3) above is a standard S. F. P. R. R. mining lease granting a 12 months exploration period and a five year mining period. S. F. P. R. R. reserves a royalty of 10 to 16.5% of gross worth of underground ore and 10% to 33% of gross worth of open-pit ore.

The initial production from the property was shipped by Haystack Mountain Development Company during the term of the mining lease. Haystack is eligible to apply for certification as lessee on the property.

There are no conflicts involved.

S. F. P. R. R. also holds contiguous section 23.

Production

The deposit was discovered by private surface prospecting and delineated by private wagon and rotary drilling. About 4,200 feet of wagon drilling and 1,500 feet of rotary drilling were done in 105 holes. The wagon drilling reportedly cost \$3.00 per foot and the rotary drilling \$0.80 per foot. The ore occurred at an average depth of five feet and averaged 18 inches in thickness. Reserves were estimated at 3,700 tons @ 0.16% U_3O_8 , using a .10% U_3O_8 cut-off. This estimate was not realistic and after shipping 276 tons @ 0.14% U_3O_8 and stockpiling about 800 tons @ 0.13% U_3O_8 the operation was closed. A buyer for the stockpiled ore cannot be found at present. No further mining is expected on this property.

The mine was not operating at the time of examination and no equipment was present. The original mining was by an open-cut method using five men on a one shift per day, five days per week basis. Stripping costs were \$0.50 per ton. The total mining cost was \$4.00 per ton.

The initial (and only) shipment consisted of 276 tons @ 0.14% shipped to the Anaconda mill during August 1958.

R. H. Tools

-5-

May 10, 1960

The ore occurred in the Todilto limestone and is a carnotite, low vanadium, high lime type.

The Finance Division reported no critical period production. Therefore, if certified, the property would be eligible for bonus payments on the initial 10,000 pounds of U_3O_8 produced prior to April 1, 1960.

Recommendations

SW/4 section 13, T13N, R11W, NMPM, is recommended for bonus certification.

Contiguous section 23 is recommended for exclusion from the unit because it has yielded no production.

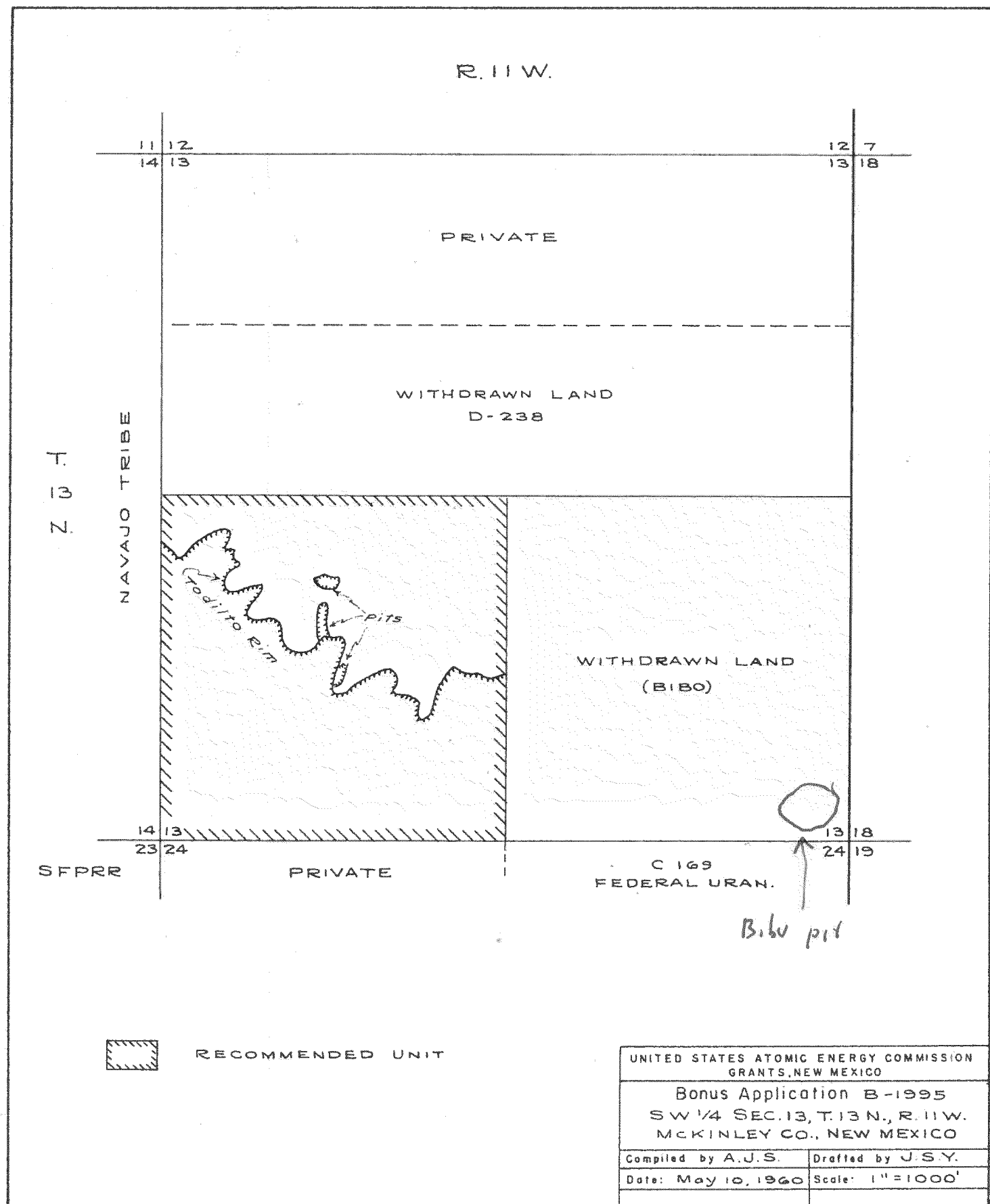
Certification of this unit as recommended would be in accordance with the purpose and intent of Circular 6.

GC:

✓ Grand Junction Leasing and Development Branch
Grand Junction Ore Reserves Branch

Enclosure:

SW/4 section 13-13N-11W file



June 28, 1960

PLD:RPC

Haystack Mountain Development Company
P. O. Box 1203
Prewitt, New Mexico

RE: CERTIFICATION OF SW $\frac{1}{4}$ SECTION 13, T13N, R11W, MCKINLEY COUNTY,
NEW MEXICO (APPLICATION NO. 1995)

Gentlemen:

Your application dated March 14, 1960, requested certification of SW $\frac{1}{4}$ Section 13, T13N, R11W, NSPM for bonus payments under the provisions of Domestic Uranium Program Circular 6.

This will serve as notification that the captioned application has been reviewed and the following described property is hereby certified as a unit eligible for bonus payments:

SW $\frac{1}{4}$ of Section 13, T13N, R11W, NSPM, Grants Mining
District, PGM, McKinley County, New Mexico

Production records show that no U₃O₈ was produced from this property between April 9, 1948, and February 28, 1951, inclusive. Therefore, bonus payments will be made on each pound of U₃O₈ up to and including the first 10,000 pounds contained in ores mined from this property and accepted by a qualified mill or Commission ore-buying station between March 1, 1951, and March 31, 1960, inclusive. Such ores are eligible to receive bonus payments in the order of their dates of settlement, so that it is possible that previous shipments, other than yours, are eligible.

The Commission at its discretion may add other tracts to this unit which may be contiguous with it and under the same operational control.

The certification number you will use in making application for bonus payment is D.U.P.CC-C-1242. In addition, please refer to the tract from which the ore was shipped as well as the group name, if any. Several copies of an "Application for Bonus Payment" form are enclosed for listing each month's production since March 1, 1951.

OFFICE ▶	PED	PED				
SURNAME ▶	<i>Ciesiel</i> Ciesiel, SW	<i>Toole</i> Toole				
DATE ▶	6/28/60	6/28/60				

-2-

In accordance with the provisions of Circular 6, as amended on May 14, 1959, applications for bonus payments under certification numbered D.U.P.C-1242 must be received in this office on or before August 12, 1960, in order that such applications may be considered for bonus payment.

Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Production Evaluation Division

Enclosure:

AEC-300 (6 sets)

cc: D. E. Hutto, FD
Ore Reserves, PED
R. F. Ciesiel, PLD, PED
Grants Branch

RHJ

March 25, 1960

PGR:AJS:km

Haystack Mountain Development Co.
P. O. Box 1203
Prewitt, New Mexico

RE: Application for Bonus Certification
SW/4 sec.13-13N-11W (Bonus Application
B-1995)

Attention: T. O. Evans

Gentlemen:

I would like to examine the captioned property for certification purposes on Friday, April 8, 1960. Please have a representative meet me on the property at 9:00 A.M. on that date to accompany me on the examination.

If these arrangements are inconvenient, kindly notify me prior to the above scheduled date and alternate plans will be arranged.

Very truly yours,

Alexander J. Speal
Geological Engineer
Grants Branch
Production Evaluation Division

CC,
O & P
R. H. Toole ✓

Eugene W. Grutt, Chief
Grants Branch, PED

March 18, 1960

R. H. Toole, Chief
Leasing & Development Branch, PED

APPLICATION FOR CERTIFICATION OF SW/4 SECTION 13-13N-11W
(APPLICATION NO. B-1995)

SYMBOL: PLD:RHT

Attached is the captioned application transmitted for investigation
and preparation of report by your staff.

Attachment:
As above

OFFICE ▶	PED					
SURNAME ▶	<i>Toole</i> Toole.rc					
DATE ▶	3/18/60					

April 12, 1960

PGR:AJS:km

Haystack Mountain Development Co.
P. O. Box 1203
Prewitt, New Mexico

Attention: Mr. T. O. Evans

RE: Application for Bonus Certification
SW/4 sec. 13-13N-11W (Application
No. B_F1995)

Gentlemen:

In confirmation of my telephone conversation with Mr. Evans this morning, an examination of the captioned property is re-scheduled for Friday, April 15, 1960. Please have a representative meet me at your Prewitt Office at 9:00 A.M. on that date to accompany me on the examination.

If these arrangements are inconvenient, kindly notify me prior to the above scheduled date and alternate plans will be arranged. Failure to appear for the examination without prior notice will result in denial of your application.

Very truly yours,

Alexander J. Speal
Geological Engineer
Grants Branch
Production Evaluation Division

CC:

O & P

R. H. Toole

OFFICE ▶	Geol. Engr.	Field Sect.	O. R. Sect.	Staff	Chief	
SURNAME ▶	Speal:km	Ashwill <i>LCRA</i>	Gay <i>me</i>	Lay <i>me</i>	<i>me</i>	
DATE ▶	4/12/60		4/13			

March 25, 1960

PGR:AJS:km

Haystack Mountain Development Co.
P. O. Box 1203
Prewitt, New Mexico

RE: Application for Bonus Certification
SW/4 sec.13-13N-11W(Bonus Application
B-1995)

Attention: T. O. Evans

Gentlemen:

I would like to examine the captioned property for certification purposes on Friday, April 8, 1960. Please have a representative meet me on the property at 9:00 A.M. on that date to accompany me on the examination.

If these arrangements are inconvenient, kindly notify me prior to the above scheduled date and alternate plans will be arranged.

Very truly yours,

Alexander J. Speal
Geological Engineer
Grants Branch
Production Evaluation Division

CC
O & P
R. H. Toole
A. J. Speal

OFFICE ▶	Geol. Engr.	O. R. Sect.	Staff	Chief		
SURNAME ▶	Speal:km	Gay <i>Wm</i>	Laverty	<i>Speal</i>		
DATE ▶	3/25/60	3/25				

FROM: R. H. LOBLE, Chief Leasing & Development Branch, PED		DATE OF DOCUMENT: 3/18/60		DATE RECEIVED 3/23/60		NO.: 225	
		LTR.		MEMO: X		REPORT: OTHER:	
TO: Eugene W. Grutt, Chief Grants Branch, PED		ORIG.: X		CC:		OTHER:	
		REPLY NECESSARY <input type="checkbox"/>		DATE ANSWERED:		BY:	
		NO REPLY NECESSARY <input checked="" type="checkbox"/>					
CLASSIFICATION: UN		POST OFFICE REG. NO.:		FILE CODE:			
DESCRIPTION: (Must Be Unclassified) Transmittal memo for enclosure.		REFERRED TO		DATE		RECEIVED BY	
		EWG		3/23		EWG 3-23	
		RAL		3/23		RAL 3/24	
ENCLOSURES:		TMC		3/24		TMC 3/24	
Application for Certification of the SW/4 section 13-13N-11W (Application No. B-1995)		AJS		3/24		AJS 3/25	
REMARKS:							
Return to certification files.							

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Eugene W. Grutt, Chief
Grants Branch, PED

DATE: March 18, 1960

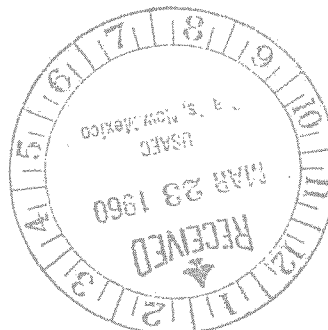
FROM : R. H. Toole, *R. H. Toole*
Leasing & Development Branch, PED

SUBJECT: APPLICATION FOR CERTIFICATION OF SW/4 SECTION 13-13N-11W
(APPLICATION NO. B-1995)

SYMBOL: PLD:RHT

Attached is the captioned application transmitted for investigation and preparation of report by your staff.

Attachment:
As above



MEMO ROUTE SLIP Form AEC-98 (Rev. May 14, 1947)		See me about this. Note and return.	For concurr For signature.	For action. For information.
TO (Name and unit) <i>Bob Toole</i> <i>PED</i>	INITIALS <i>RKA</i> DATE <i>3/18/60</i>	REMARKS <i>OK to assign application</i> <i>No. This is for a 1/4</i> <i>section of land and map</i> <i>requirement can be waived</i>		
TO (Name and unit)	INITIALS DATE	REMARKS		
TO (Name and unit)	INITIALS DATE	REMARKS		
FROM (Name and unit) <i>Finance</i>	REMARKS			
PHONE NO.	DATE <i>3/16/60</i>			

USE OTHER SIDE FOR ADDITIONAL REMARKS

16-56667-1

U. S. GOVERNMENT PRINTING OFFICE

Form No. GJ-FD-1

VERIFICATION OF PRODUCTION RECORD
APPLICATION FOR CERTIFICATION

Application No. _____

Name of Mining Property: SW 1/4 Sect. 13, T13N, R11WName of Applicant: Haystack Mountain Development Co.

1. There (~~is~~) (is not) a record of production for the period April 9, 1948 through February 28, 1951.

Shipper	Name of Mine	District	County	State	Purch. Depot	Date	Ore Dry Tons	U ₃ O ₈ Pounds

Shipments to Shattuck Chemical Co., Denver, Colorado

Name of Shipper	Date	Pounds U ₃ O ₈

Total Pounds U₃O₈ _____

2. There (has)(~~has not~~) been production from this property for the period March 1, 1951 through the month of January, 1960.

Production checked by OKA & Catherine M. MartinDate forwarded to Production Evaluation Division 3/16/60

PLD:RHT

March 18, 1960

Haystack Mountain Development Company
P. O. Box 1203
Prewitt, New Mexico

Re: APPLICATION FOR CERTIFICATION OF SW/4 SECTION 13, T13N, R11W
(APPLICATION NO. 1995)

Gentlemen:

This will acknowledge receipt of your application for certification
of the following property:

SW/4 Section 13, T13N, R11W, Grants Mining
District, McKinley County, New Mexico

You will hear from us in the near future when our investigation of
your application will commence.

Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Production Evaluation Division

Enclosure:
Circular 6

Haystack Mountain Development Company

T. O. EVANS,
Chief Mining Engineer

Prewitt, New Mexico

Telephone Prewitt 5

File No. 168-28

March 14, 1960

U. S. Atomic Energy Commission
Colorado Raw Materials Office
Post Office Box 270
Grand Junction, Colorado

Gentlemen:

Herewith completed Application For Certification of Mining Property which I have signed on behalf of our company.

Yours truly,



T. O. Evans
Chief Mining Engineer

Encls.

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR CERTIFICATION OF MINING PROPERTY

In accordance with Atomic Energy Commission Domestic Uranium Program Circular 6
(Assistance in filling out this form will be available at the U. S. Atomic
Energy Commission's office in Grand Junction, Colo.)

Name of applicant Haystack Mountain Development Co. AEC License No. P-4305

Address P. O. Box 1203, Prewitt, New Mexico

I hereby request that the following described mining property be certified as eligible for bonus payments under Domestic Uranium Circular 6.

1. Name of mining property SW 1/4 Section 13, T13N, R11W, McKinley County, N. M.

2. Name of owner Santa Fe Pacific Railroad Company (Corporation)

(Indicate whether Corporation, Partnership, Individual)

3. Interest of applicant Lessee

(Owner or Lessee—if other, specify)

4. Description of mining property: (If more space is required use blank space below.)

a. Mining district Grants

b. Size of property 160 acres

c. Number and names of claims included in this property All patented land

d. Property is of public record as follows:

DATE OF RECORD	COUNTY	STATE	BOOK NO.	PAGE NO.
April 4, 1903	McKinley	New Mexico	2 Deed Rec.	241
The title to this property was acquired by Haystack Mountain Development Company under an Assignment and Lease from Santa Fe Pacific Railroad Company dated Sept. 30, 1952 (not recorded).				
A copy of the Assignment and Lease agreement is filed in the records of the A.E.C. Raw Materials Branch at Grand Junction, Colorado.				
obtained from Evans				

e. Title to property is patented or unpatented? (State which.) Patented March 13, 1893

f. Description of location of property for verification by mining branch of Colorado Raw Materials Office, Atomic Energy Commission.

Southwest 1/4 Section 13, T13N, R11W, McKinley County, New Mexico

